Example Calculation Table – Total Price

The following calculations illustrate how the SOP Program Rules would be applied to a project located on Vancouver Island, where an EPA is executed in 2012 and COD occurs in 2014. The payment price for energy delivered during Peak Hours in February 2014 is calculated.

STEP	CALCULATION
Step 1	Determine the applicable Base Price for a project located on Vancouver Island, which is $102.25/MWh. See *Standing Offer Program Rules, Section 3, Figure 1 – Base Price by Region*.
Step 2	Calculate the escalated Base Price for energy in the year the EPA is signed (2012), which is $106.45/MWh. = regional price x CPI $_{\text{January 1, 2012}}$ / CPI $_{\text{January 1, 2010}}$ = $102.25/MWh x 119.2 / 114.5 = $106.45/MWh *(Note: 100% of the base price is escalated at CPI up to the year the Project EPA is signed.)*
Step 3	Calculate the payment price for energy for 2014 prior to adjusting for the time of day or month when the energy is delivered, which is $108.60/MWh. = (escalated Base Price * 0.5 * CPI $_{\text{January 1, 2014}}$ / CPI $_{\text{January 1, 2012}}$) + (escalated Base Price * 0.5) = ($106.45 x 0.5 x 124.0 / 119.2) + ($106.45 * 0.5) = $108.60/MWh *(Note: 50% of the escalated Base Price from step 2 is escalated at CPI annually starting the first calendar year after the Project EPA is signed.)*
Step 4	Calculate the payment price for energy delivered in Peak Hours during February 2014, which is $122.72/MWh. = payment price for 2014 prior to adjusting for the time of day or month when the energy is delivered x Time of Delivery Factor for February Peak Hours = $108.60/MWh x 113% = $122.72/MWh

CPI Assumptions for Example Calculation

Year	Assumed CPI
2010	114.5
2011	116.8
2012	119.2
2013	121.6
2014	124.0

The assumptions above are provided for illustrative purposes only. Calculations for actual pricing would be based on actual CPI data.